	FING 21 January 1959						
	MIDDLE EAST DEVELOPMENTS						
Iņ	Iraq, trend of developments is still cloudy.						
	1. Communists have sought to parry effect by tearing down at						
	night copies of decrees posted on walls by Military Police.						
В.	In his first interview with Amb Jernegan this week, Qasim						
	followed his standard linespoke of desire for US friendship						
	and help, but appeared suspicious and reiterated "rumors" of						
	US activity against him.						
	1. But he did say he wants US contractors to carry on.						
	Meanwhile debate may be going on among anti-Qasim elements in						
D.	Iraq over desirability of Qasim-Nasir meeting.						
D.							
D.	neeting is opposed by some for fear it						
D.	meeting is opposed by some for fear it would build up Qasim and undercut his opponents, especially						
D.							

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- II. In UAR, the anti-Communist campaign continues, but the wave of arrests in both Syria and Egypt seems virtually completed.
 - A. Pattern here seems to be an attempt at "brainwashing" of low-level Communists and sympathizers, who are being released in large numbers after abjuring Communism and promising to drop any party activity, while more important figures are being held for more interrogation.
 - B. Nasir apparently hopes to mute pro-Communist notes at Afro-Asian Youth Conference scheduled for 2-8 February in Cairo (500 delegates expected).
 - 1. UAR personnel dominate conference's working secretariat, but to make sure little is heard except UAR noise a UAR youth festival will run concurrently.
 - 2. UAR festival will import 2,500 Syrians for occasion, hold big parades, invite Afro-Asian delegates to participate in closing ceremonies, etc.
 - a. This should effectively drown out Afro-Asian conference, impress its delegates with fervor of pro-Nasir Arab youth, and confuse observers as to which meeting is which.

III. Other Nasir notes this week:

- A. Agreement initialed--not yet signed--with UK whereby London will release frozen sterling balances of some \$196 million where Egypt pays British about \$79,200,000 for nationalized UK property and damage to sequestered properties, which are to be returned to UK owners.
 - 1. No war claims or UK claims for Suez base involved.

- B. UAR military mission now in Kuwait (arrived 17 Jan), ostensibly to return visit made by Kuwaiti sheik who heads local security forces.
 - 1. With Ruler of Kuwait now vacationing in Lebanon, British see this UAR visit as "disconcerting and possibly sinister."
- IV. In Lebanon, observers continue to fear new round of civil strife.
 - A. Moslems are accusing Christian extremists of maintaining armed camps.
 - B. The Christians' continuing fear and resentment of Moslem pressure are sharpened by belief West would not again intervene.
 - C. At moment virtually all secondary schools in country closed because of student strikes and counterstrikes over issue of teaching law in Arabic instead of French.
 - 1. This has created serious dissension in cabinet, and three students have been injured in clashes.
- V. In Yemen, Crown Prince Badr (main proponent of close relations with Sino-Soviet Bloc) and Soviets have sought to sabotage Yemeni-US agreement on wheat aid.
 - A. Badr persuaded Imam to accept Soviet offer of 10,000 tons of wheat in addition to 15,000 tons coming from US (first batch is already on ship).
 - 1. Badr took to bed for four days while Soviet charge sought and obtained Moscow's approval of deal.

3. Yemenis previously estimated 15,000 tons was maximum port facilities could handle.

В.	Note Soviets have	bumper	wheat	$\operatorname{\mathtt{crop}}$	this	year,	and	have	pulled
	somewhat similar	stunt i	n Afgh	anioto	n				

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